



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1319

Introduced 1/28/2025, by Sen. Ram Villivalam

#### SYNOPSIS AS INTRODUCED:

35 ILCS 505/8

from Ch. 120, par. 424

Amends the Motor Fuel Tax Law. Provides that, of the proceeds that are deposited into the Road Fund, \$27,000,000 shall be transferred each month to the Department of Transportation to be distributed to municipalities of the State, counties of the State, and road districts of the State according to a specified formula.

LRB104 08662 HLH 18716 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Motor Fuel Tax Law is amended by changing  
5 Section 8 as follows:

6 (35 ILCS 505/8) (from Ch. 120, par. 424)

7 Sec. 8. Distribution of proceeds of tax. Except as  
8 provided in subsection (a-1) of this Section, Section 8a,  
9 subdivision (h)(1) of Section 12a, Section 13a.6, and items  
10 13, 14, 15, and 16 of Section 15, all money received by the  
11 Department under this Act, including payments made to the  
12 Department by member jurisdictions participating in the  
13 International Fuel Tax Agreement, shall be deposited into a  
14 special fund in the State treasury, to be known as the Motor  
15 Fuel Tax Fund, and shall be used as follows:

16 (a) 2 1/2 cents per gallon of the tax collected on special  
17 fuel under paragraph (b) of Section 2 and Section 13a of this  
18 Act shall be transferred to the State Construction Account  
19 Fund in the State Treasury; the remainder of the tax collected  
20 on special fuel under paragraph (b) of Section 2 and Section  
21 13a of this Act shall be deposited into the Road Fund;

22 (a-1) Beginning on July 1, 2019, an amount equal to the  
23 amount of tax collected under subsection (a) of Section 2 and

1 Section 13a as a result of the increase in the tax rate under  
2 subsection (a) of Section 2 authorized by Public Act 101-32  
3 shall be deposited each month into the Transportation Renewal  
4 Fund; provided, however, that the amount that represents the  
5 part (b) portion of the rate under Section 13a shall be  
6 deposited each month into the Motor Fuel Tax Fund and the  
7 Transportation Renewal Fund in the same proportion as the  
8 amount collected under subsection (a) of Section 2;

9 (b) \$420,000 shall be transferred each month to the State  
10 Boating Act Fund to be used by the Department of Natural  
11 Resources for the purposes specified in Article X of the Boat  
12 Registration and Safety Act;

13 (c) \$3,500,000 shall be transferred each month to the  
14 Grade Crossing Protection Fund to be used as follows: not less  
15 than \$12,000,000 each fiscal year shall be used for the  
16 construction or reconstruction of rail highway grade  
17 separation structures; \$5,500,000 in fiscal year 2022 and each  
18 fiscal year thereafter shall be transferred to the  
19 Transportation Regulatory Fund and shall be used to pay the  
20 cost of administration of the Illinois Commerce Commission's  
21 railroad safety program in connection with its duties under  
22 subsection (3) of Section 18c-7401 of the Illinois Vehicle  
23 Code, with the remainder to be used by the Department of  
24 Transportation upon order of the Illinois Commerce Commission,  
25 to pay that part of the cost apportioned by such Commission to  
26 the State to cover the interest of the public in the use of

1 highways, roads, streets, or pedestrian walkways in the county  
2 highway system, township and district road system, or  
3 municipal street system as defined in the Illinois Highway  
4 Code, as the same may from time to time be amended, for  
5 separation of grades, for installation, construction or  
6 reconstruction of crossing protection or reconstruction,  
7 alteration, relocation including construction or improvement  
8 of any existing highway necessary for access to property or  
9 improvement of any grade crossing and grade crossing surface  
10 including the necessary highway approaches thereto of any  
11 railroad across the highway or public road, or for the  
12 installation, construction, reconstruction, or maintenance of  
13 safety treatments to deter trespassing or a pedestrian walkway  
14 over or under a railroad right-of-way, as provided for in and  
15 in accordance with Section 18c-7401 of the Illinois Vehicle  
16 Code. The Commission may order up to \$2,000,000 per year in  
17 Grade Crossing Protection Fund moneys for the improvement of  
18 grade crossing surfaces and up to \$300,000 per year for the  
19 maintenance and renewal of 4-quadrant gate vehicle detection  
20 systems located at non-high speed rail grade crossings. In  
21 entering orders for projects for which payments from the Grade  
22 Crossing Protection Fund will be made, the Commission shall  
23 account for expenditures authorized by the orders on a cash  
24 rather than an accrual basis. For purposes of this requirement  
25 an "accrual basis" assumes that the total cost of the project  
26 is expended in the fiscal year in which the order is entered,

1 while a "cash basis" allocates the cost of the project among  
2 fiscal years as expenditures are actually made. To meet the  
3 requirements of this subsection, the Illinois Commerce  
4 Commission shall develop annual and 5-year project plans of  
5 rail crossing capital improvements that will be paid for with  
6 moneys from the Grade Crossing Protection Fund. The annual  
7 project plan shall identify projects for the succeeding fiscal  
8 year and the 5-year project plan shall identify projects for  
9 the 5 directly succeeding fiscal years. The Commission shall  
10 submit the annual and 5-year project plans for this Fund to the  
11 Governor, the President of the Senate, the Senate Minority  
12 Leader, the Speaker of the House of Representatives, and the  
13 Minority Leader of the House of Representatives on the first  
14 Wednesday in April of each year;

15 (d) of the amount remaining after allocations provided for  
16 in subsections (a), (a-1), (b), and (c), a sufficient amount  
17 shall be reserved to pay all of the following:

18 (1) the costs of the Department of Revenue in  
19 administering this Act;

20 (2) the costs of the Department of Transportation in  
21 performing its duties imposed by the Illinois Highway Code  
22 for supervising the use of motor fuel tax funds  
23 apportioned to municipalities, counties and road  
24 districts;

25 (3) refunds provided for in Section 13, refunds for  
26 overpayment of decal fees paid under Section 13a.4 of this

1 Act, and refunds provided for under the terms of the  
2 International Fuel Tax Agreement referenced in Section  
3 14a;

4 (4) from October 1, 1985 until June 30, 1994, the  
5 administration of the Vehicle Emissions Inspection Law,  
6 which amount shall be certified monthly by the  
7 Environmental Protection Agency to the State Comptroller  
8 and shall promptly be transferred by the State Comptroller  
9 and Treasurer from the Motor Fuel Tax Fund to the Vehicle  
10 Inspection Fund, and for the period July 1, 1994 through  
11 June 30, 2000, one-twelfth of \$25,000,000 each month, for  
12 the period July 1, 2000 through June 30, 2003, one-twelfth  
13 of \$30,000,000 each month, and \$15,000,000 on July 1,  
14 2003, and \$15,000,000 on January 1, 2004, and \$15,000,000  
15 on each July 1 and October 1, or as soon thereafter as may  
16 be practical, during the period July 1, 2004 through June  
17 30, 2012, and \$30,000,000 on June 1, 2013, or as soon  
18 thereafter as may be practical, and \$15,000,000 on July 1  
19 and October 1, or as soon thereafter as may be practical,  
20 during the period of July 1, 2013 through June 30, 2015,  
21 for the administration of the Vehicle Emissions Inspection  
22 Law of 2005, to be transferred by the State Comptroller  
23 and Treasurer from the Motor Fuel Tax Fund into the  
24 Vehicle Inspection Fund;

25 (4.5) beginning on July 1, 2019, the costs of the  
26 Environmental Protection Agency for the administration of

1 the Vehicle Emissions Inspection Law of 2005 shall be  
2 paid, subject to appropriation, from the Motor Fuel Tax  
3 Fund into the Vehicle Inspection Fund; beginning in 2019,  
4 no later than December 31 of each year, or as soon  
5 thereafter as practical, the State Comptroller shall  
6 direct and the State Treasurer shall transfer from the  
7 Vehicle Inspection Fund to the Motor Fuel Tax Fund any  
8 balance remaining in the Vehicle Inspection Fund in excess  
9 of \$2,000,000;

10 (5) amounts ordered paid by the Court of Claims; and

11 (6) payment of motor fuel use taxes due to member  
12 jurisdictions under the terms of the International Fuel  
13 Tax Agreement. The Department shall certify these amounts  
14 to the Comptroller by the 15th day of each month; the  
15 Comptroller shall cause orders to be drawn for such  
16 amounts, and the Treasurer shall administer those amounts  
17 on or before the last day of each month;

18 (e) after allocations for the purposes set forth in  
19 subsections (a), (a-1), (b), (c), and (d), the remaining  
20 amount shall be apportioned as follows:

21 (1) Until January 1, 2000, 58.4%, and beginning  
22 January 1, 2000, 45.6% shall be deposited as follows:

23 (A) 37% into the State Construction Account Fund;

24 7 and

25 (B) 63% into the Road Fund; of the amounts  
26 deposited into the Road Fund under this subparagraph

1           (B):

2                   (i) 7 \$1,250,000 ~~of which~~ shall be reserved  
3                   each month for the Department of Transportation to  
4                   be used in accordance with the provisions of  
5                   Sections 6-901 through 6-906 of the Illinois  
6                   Highway Code; and

7                   (ii) \$27,000,000 shall be transferred each  
8                   month to the Department of Transportation to be  
9                   distributed to municipalities of the State,  
10                   counties of the State, and road districts of the  
11                   State, according to the formula set forth in  
12                   paragraph (2) of this subsection (e); and

13           (2) Until January 1, 2000, 41.6%, and beginning  
14           January 1, 2000, 54.4% shall be transferred to the  
15           Department of Transportation to be distributed as follows:

16                   (A) 49.10% to the municipalities of the State,

17                   (B) 16.74% to the counties of the State having  
18                   1,000,000 or more inhabitants,

19                   (C) 18.27% to the counties of the State having  
20                   less than 1,000,000 inhabitants,

21                   (D) 15.89% to the road districts of the State.

22           If a township is dissolved under Article 24 of the  
23           Township Code, McHenry County shall receive any moneys  
24           that would have been distributed to the township under  
25           this subparagraph, except that a municipality that assumes  
26           the powers and responsibilities of a road district under



1 paragraph (6) of Section 24-35 of the Township Code shall  
2 receive any moneys that would have been distributed to the  
3 township in a percent equal to the area of the dissolved  
4 road district or portion of the dissolved road district  
5 over which the municipality assumed the powers and  
6 responsibilities compared to the total area of the  
7 dissolved township. The moneys received under this  
8 subparagraph shall be used in the geographic area of the  
9 dissolved township. If a township is reconstituted as  
10 provided under Section 24-45 of the Township Code, McHenry  
11 County or a municipality shall no longer be distributed  
12 moneys under this subparagraph.

13 As soon as may be after the first day of each month, the  
14 Department of Transportation shall allot to each municipality  
15 its share of the amount apportioned to the several  
16 municipalities which shall be in proportion to the population  
17 of such municipalities as determined by the last preceding  
18 municipal census if conducted by the Federal Government or  
19 Federal census. If territory is annexed to any municipality  
20 subsequent to the time of the last preceding census the  
21 corporate authorities of such municipality may cause a census  
22 to be taken of such annexed territory and the population so  
23 ascertained for such territory shall be added to the  
24 population of the municipality as determined by the last  
25 preceding census for the purpose of determining the allotment  
26 for that municipality. If the population of any municipality

1 was not determined by the last Federal census preceding any  
2 apportionment, the apportionment to such municipality shall be  
3 in accordance with any census taken by such municipality. Any  
4 municipal census used in accordance with this Section shall be  
5 certified to the Department of Transportation by the clerk of  
6 such municipality, and the accuracy thereof shall be subject  
7 to approval of the Department which may make such corrections  
8 as it ascertains to be necessary.

9 As soon as may be after the first day of each month, the  
10 Department of Transportation shall allot to each county its  
11 share of the amount apportioned to the several counties of the  
12 State as herein provided. Each allotment to the several  
13 counties having less than 1,000,000 inhabitants shall be in  
14 proportion to the amount of motor vehicle license fees  
15 received from the residents of such counties, respectively,  
16 during the preceding calendar year. The Secretary of State  
17 shall, on or before April 15 of each year, transmit to the  
18 Department of Transportation a full and complete report  
19 showing the amount of motor vehicle license fees received from  
20 the residents of each county, respectively, during the  
21 preceding calendar year. The Department of Transportation  
22 shall, each month, use for allotment purposes the last such  
23 report received from the Secretary of State.

24 As soon as may be after the first day of each month, the  
25 Department of Transportation shall allot to the several  
26 counties their share of the amount apportioned for the use of

1 road districts. The allotment shall be apportioned among the  
2 several counties in the State in the proportion which the  
3 total mileage of township or district roads in the respective  
4 counties bears to the total mileage of all township and  
5 district roads in the State. Funds allotted to the respective  
6 counties for the use of road districts therein shall be  
7 allocated to the several road districts in the county in the  
8 proportion which the total mileage of such township or  
9 district roads in the respective road districts bears to the  
10 total mileage of all such township or district roads in the  
11 county. After July 1 of any year prior to 2011, no allocation  
12 shall be made for any road district unless it levied a tax for  
13 road and bridge purposes in an amount which will require the  
14 extension of such tax against the taxable property in any such  
15 road district at a rate of not less than either .08% of the  
16 value thereof, based upon the assessment for the year  
17 immediately prior to the year in which such tax was levied and  
18 as equalized by the Department of Revenue or, in DuPage  
19 County, an amount equal to or greater than \$12,000 per mile of  
20 road under the jurisdiction of the road district, whichever is  
21 less. Beginning July 1, 2011 and each July 1 thereafter, an  
22 allocation shall be made for any road district if it levied a  
23 tax for road and bridge purposes. In counties other than  
24 DuPage County, if the amount of the tax levy requires the  
25 extension of the tax against the taxable property in the road  
26 district at a rate that is less than 0.08% of the value

1     thereof, based upon the assessment for the year immediately  
2     prior to the year in which the tax was levied and as equalized  
3     by the Department of Revenue, then the amount of the  
4     allocation for that road district shall be a percentage of the  
5     maximum allocation equal to the percentage obtained by  
6     dividing the rate extended by the district by 0.08%. In DuPage  
7     County, if the amount of the tax levy requires the extension of  
8     the tax against the taxable property in the road district at a  
9     rate that is less than the lesser of (i) 0.08% of the value of  
10    the taxable property in the road district, based upon the  
11    assessment for the year immediately prior to the year in which  
12    such tax was levied and as equalized by the Department of  
13    Revenue, or (ii) a rate that will yield an amount equal to  
14    \$12,000 per mile of road under the jurisdiction of the road  
15    district, then the amount of the allocation for the road  
16    district shall be a percentage of the maximum allocation equal  
17    to the percentage obtained by dividing the rate extended by  
18    the district by the lesser of (i) 0.08% or (ii) the rate that  
19    will yield an amount equal to \$12,000 per mile of road under  
20    the jurisdiction of the road district.

21       Prior to 2011, if any road district has levied a special  
22    tax for road purposes pursuant to Sections 6-601, 6-602, and  
23    6-603 of the Illinois Highway Code, and such tax was levied in  
24    an amount which would require extension at a rate of not less  
25    than .08% of the value of the taxable property thereof, as  
26    equalized or assessed by the Department of Revenue, or, in

1 DuPage County, an amount equal to or greater than \$12,000 per  
2 mile of road under the jurisdiction of the road district,  
3 whichever is less, such levy shall, however, be deemed a  
4 proper compliance with this Section and shall qualify such  
5 road district for an allotment under this Section. Beginning  
6 in 2011 and thereafter, if any road district has levied a  
7 special tax for road purposes under Sections 6-601, 6-602, and  
8 6-603 of the Illinois Highway Code, and the tax was levied in  
9 an amount that would require extension at a rate of not less  
10 than 0.08% of the value of the taxable property of that road  
11 district, as equalized or assessed by the Department of  
12 Revenue or, in DuPage County, an amount equal to or greater  
13 than \$12,000 per mile of road under the jurisdiction of the  
14 road district, whichever is less, that levy shall be deemed a  
15 proper compliance with this Section and shall qualify such  
16 road district for a full, rather than proportionate, allotment  
17 under this Section. If the levy for the special tax is less  
18 than 0.08% of the value of the taxable property, or, in DuPage  
19 County if the levy for the special tax is less than the lesser  
20 of (i) 0.08% or (ii) \$12,000 per mile of road under the  
21 jurisdiction of the road district, and if the levy for the  
22 special tax is more than any other levy for road and bridge  
23 purposes, then the levy for the special tax qualifies the road  
24 district for a proportionate, rather than full, allotment  
25 under this Section. If the levy for the special tax is equal to  
26 or less than any other levy for road and bridge purposes, then

1 any allotment under this Section shall be determined by the  
2 other levy for road and bridge purposes.

3 Prior to 2011, if a township has transferred to the road  
4 and bridge fund money which, when added to the amount of any  
5 tax levy of the road district would be the equivalent of a tax  
6 levy requiring extension at a rate of at least .08%, or, in  
7 DuPage County, an amount equal to or greater than \$12,000 per  
8 mile of road under the jurisdiction of the road district,  
9 whichever is less, such transfer, together with any such tax  
10 levy, shall be deemed a proper compliance with this Section  
11 and shall qualify the road district for an allotment under  
12 this Section.

13 In counties in which a property tax extension limitation  
14 is imposed under the Property Tax Extension Limitation Law,  
15 road districts may retain their entitlement to a motor fuel  
16 tax allotment or, beginning in 2011, their entitlement to a  
17 full allotment if, at the time the property tax extension  
18 limitation was imposed, the road district was levying a road  
19 and bridge tax at a rate sufficient to entitle it to a motor  
20 fuel tax allotment and continues to levy the maximum allowable  
21 amount after the imposition of the property tax extension  
22 limitation. Any road district may in all circumstances retain  
23 its entitlement to a motor fuel tax allotment or, beginning in  
24 2011, its entitlement to a full allotment if it levied a road  
25 and bridge tax in an amount that will require the extension of  
26 the tax against the taxable property in the road district at a

1 rate of not less than 0.08% of the assessed value of the  
2 property, based upon the assessment for the year immediately  
3 preceding the year in which the tax was levied and as equalized  
4 by the Department of Revenue or, in DuPage County, an amount  
5 equal to or greater than \$12,000 per mile of road under the  
6 jurisdiction of the road district, whichever is less.

7 As used in this Section, the term "road district" means  
8 any road district, including a county unit road district,  
9 provided for by the Illinois Highway Code; and the term  
10 "township or district road" means any road in the township and  
11 district road system as defined in the Illinois Highway Code.  
12 For the purposes of this Section, "township or district road"  
13 also includes such roads as are maintained by park districts,  
14 forest preserve districts and conservation districts. The  
15 Department of Transportation shall determine the mileage of  
16 all township and district roads for the purposes of making  
17 allotments and allocations of motor fuel tax funds for use in  
18 road districts.

19 Payment of motor fuel tax moneys to municipalities and  
20 counties shall be made as soon as possible after the allotment  
21 is made. The treasurer of the municipality or county may  
22 invest these funds until their use is required and the  
23 interest earned by these investments shall be limited to the  
24 same uses as the principal funds.

25 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;  
26 102-699, eff. 4-19-22; 103-8, eff. 6-7-23.)